Position Statement
In this evaluation case we are presented with the position that British Airways (BA), the world's largest airline in 1983. In this paper we will evaluate to what extent does the advertising strategy acquire by BA to establish themselves as the world's most successful airline, add value in the eyes of passengers across the whole range of BA products, to develop a distinctive, contemporary, and fashionable style for the airline and to demonstrate the superiority of BA products?

Other important questions that should be answered are: (1) if the campaign doesn't achieve the desired impact, should the BA headquarters permit the country manager to curtail the concept campaign? (2) If the campaign was successful, how long could it be sustained before becoming "tired"? (3) What would be the response of competitive airlines? (4) What is the appropriate appropriate budget split between the concept campaign and tactical advertising in 1984-85?

Criteria Selection
The criteria I decided to focus on to formulate my evaluation is dependent on the evaluation question: to what extent does the advertising strategy acquire by BA to establish themselves as the world's most successful airline, add value in the eyes of passengers across the whole range of BA products, to develop a distinctive, contemporary, and fashionable style for the airline and to demonstrate the superiority of BA products? To thoroughly analyze this question, I decided to focus on SWOT analysis, Porter's five forces, IMC, Individual analysis of ads, which in conjunction offer an accurate and objective lense to which analyze the questions presented in the case.

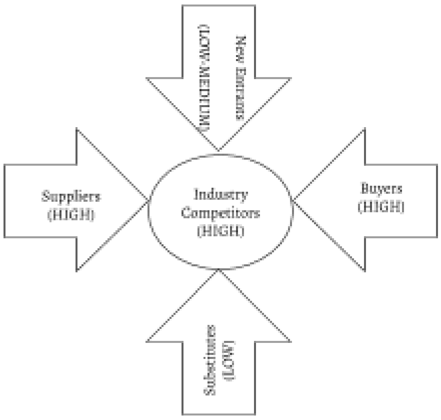
Evaluation
SWOT

Strengths	Weaknesses
-BA was the largest international airline in the world. BA flew to 89 cities in 62 countries outside the United Kingdom during 1982-83. Forty-two percent of BA sales were made in the United Kingdom, 25% in the rest of Europe, and 33% in the rest of the world. -BA was often the carrier of second choice after a consumer's national flag airline, particularly among consumers taking a vacation trip to the United Kingdom. -BA was viewed as a large, experienced airline using modern equipment. -Strong financial performance on the last financial year.	-BA was rated poorly on friendliness, in-flight service, value for money, and punctuality. -BA's image varied widely among markets. The name of the airline and the lack of a strong image meant that consumer perceptions of its characteristics were often a reflection of their perceptions of Britain as a country. -BA's advertising necessities varied hugely from market, to market. -Recent consumer research indicated that Pan Am and TWA were perceived as superior to BA on attributes important to business flyers. Moreover, leisure travelers tend to rate more highly competitors on attributes such as "good value for money" and "good deal for leisure travelers'.
Opportunities	**Threats**
-The convergence of demographic and cultural trends, and, therefore, the basic factors underlying consumer tastes and preferences may enable global brands to employ the same advertising themes worldwide.	-In countries such as Kuwait and France, only state own companies are allowed to advertise on television. -Fluctuation in commodity such as oil affect profitability. -Increased competition.

- Steady increased in the numbers of new travelers and miles traveled every year. -Growth in living standards.	-Advertising targeted to leisure traveler may lead to a price war with direct rivals in markets with small profit margins.

Porter's Five Forces

The Porter's five forces draw from industrial organization economics to yield five forces that determine the level of competitive intensity (e.g., industry competitors) and, thereupon, the level of attractiveness of an industry in terms of profitability. Using this framework we can better understand some variables that may affect the pricing of the cushions pads, in addition to knowing why this market is attractive (or not).



1. Threat of New Entrants (LOW-MEDIUM)

Profitable industries will attract new entrants, which is undesirable for already established means as it means more competition and potentially fewer profits. The Threat of New Entrants in this market segment is low-medium given the high initial costs required to access the aviation market. The economies of scale, the highly competitive environment and the regulatory requirements makes it hard for new firms to survive.

2. Threat of Substitutes (LOW)

A substitute is any product that solves the same need or wants your product solves while using a different type of 'technology' to that of your product. The Threat of Substitutes in this industry is low, mostly, due to the fact that there's no direct substitute that yields the same benefit for an equal or lesser costs. Passengers that will travel relatively short distances can either use their car and drive themselves or go by train, which is often expensier. For large distances, there's no real direct substitute..

3. Bargain Power of Buyers (HIGH)

The Bargain Power of Buyers is often described as the ability of customers to put the firm under pressure. Seat prices are affected by demand and there's often a variety of airline that offer the same destinations. However, it should be highlighted that seats are limited.

4. Bargain Power of Suppliers (HIGH)

The Bargain Power of Suppliers is broadly defined as the ability of suppliers to put a firm under pressure. This power is high given that there are only two suppliers: Airbus and Boeing. Moreover, there are high switching costs in case of switching suppliers.

5. Industry Competitors (HIGH)

There's a high level of competitiveness in the market. Players aren't willing to give up on their market share and all seek more market share.

Using this framework it is clear that any advertisement effort made by BA that affects the market share of the company or its predicted future market share would lead to an action from a rival company that is affected by the gain of BA. As a consequence, given that competitors mostly take the most expected decisions, BA should be prepared to either for a price war in highly competitive market segments or to see their advertising strategy copied by some of their competitors.

Effective IMC

IMC is all the promotional mix strategically integrated and viewed from a consumer perspective. The five promotion mix tools firms have for communicating customer value are mission, money, message, media and measurement.

The mission refers to the objectives of the IMC program. It is vital as setting solid objectives mark what the company should work towards to. A mission a firm sets itself to accomplish could be to increase the quantity of its product distributed by its channel members. To achieve this, the firm should embark in a 'pull' strategy, where with the help of price promotions and improving personal relationships with channel members, the firm should be able to transfer more output to retailers and other distributors to increase sales. At the end of the day the firm's mission can be either to persuade, inform or remind consumers or channel members.
Money refers to the budget, the quantity of financial resources a firm is able to supply towards something, the IMC campaign is constraint to. This budget is often calculated as a percentage of previous total sales or expected future sales. However, this isn't the optimal way of calculating the promotion budgets as it leaves important factors such as the product life cycle, market share, competition, advertising frequency, consumer and consumer base aside.

The product life cycle stages are of importance towards the IMC program due to the difference in promotion quantity and frequency each stage needs. The introduction stage is the period of time that needs the most promotions as a firm looks to generate consumer awareness with respect to their product and as a result the promotion budget at this stage should be large. The other stages don't need as much promotional budget as the consumer awareness threshold has been surpass and the company now only needs to maintain their competitive advantage and consumer loyalty. Market share and competition are also relevant when deciding a budget as they influence the frequency and quantity of promotions needed to achieve the firm's mission.

The message of the IMC program is what the company will like to convey to the consumer. As a rule of thumb, effective messages are short and simple. The message creation entails balancing between believability, desirability and exclusiveness of the message. Message selection and evolution implicates selecting between rational and emotional positioning strategies. Marketers use cognitive appeal targeted at the rational side consumers or affective appeal targeted at the emotional side of consumers. Rational appeals emphasis the utility of a product or service via informing of the product features that make it better than the competition, quality, durability, performance and design to consumers and the benefits of owning the specific product. On the other hand, emotional appeal aims to relate to the consumers psychological and/or social needs to convince them to buy the product. They focus on the experience of using the product and what that experience transmits, which can convey, but is not limited to the following feelings joy, love, pleasure, acceptance, involvement and status. Furthermore, other factors such as style, tone, word choice and format, which form part of the message execution, need to be considered before generating a message, so that it is better acquired by the message's target audience.

Media may be defined as the means used the deliver the message to consumers (magazine, radio, newspaper, television, direct mail etc.). Media strategy has four dimensions: frequency, reach, impact and timing. Frequency is the mean number of times a consumer is exposed to message. Reach is the average number of individuals that are exposed to the message at once. Impact is the degree of acceptance of the message, and timing is the time it takes for the prospect to receive the message. For media to function effectively, the advertainment should have a combination of high reach and impact in a vertical media (such as social media). The frequency and timing are, thus, the less important dimensions of media.

The last promotion mix tool is measurement. Measurement is the judgement of the effectiveness of the campaign. This is mostly done in two dimensions: sales impact and communication impact. Sales impact deal with the effects that the campaign had to a company's sales (rise, fall or stagnated). Communication impact is all about measuring the perception in the targeted consumers' mind (product awareness, taste and preferences etc.). Sales can be studied easily than the communication impact, however, marketers should always consider the lag between the release of the message and subsequent impact it had when performing these studies. Furthermore, the impact of most campaigns change as time passes (after the campaign has ended).
In addition to effectively use all elements of the promotional mix, the company should always focus in the following two principals: consistency and complementary.

Consistency is important throughout a campaign as conflicting messages, or even slightly different messages send throughout a campaign may result in the target consumer not interpreting the content of the message in the intended way, and thus the ultimate mission of the campaign ends up unfulfill. Similarly, the complementary principle tells us that the various elements of the message must work well together to counterbalance the disadvantages of an specific method of communication.

In short, a company must make sure to effectively manage and use the five promotion mix tools they have to communicate customer value, which are mission, money, message, media and measurement, and this promotion mix tools should always follow the principles of consistency and complementary to fulfill the mission of the campaign.

Individual Advertisement Analysis

Advertisements Prior 1982-1983:

Exhibit 2: Robert Morley Campaign Magazine Advertisement

The Morley campaign was considered a success (measurement), building as it did on Britain's favorable reputation in the United States for old-fashioned hospitality, however "it overpromised on customer service; every time something went wrong, my phone would ring off the hook." The degree of success was such that the company took into account this advertisement years after when they decided to change their advertising mission.

This advertisement had a cognitive appeal, which is shown with the product comparison to competitors and the availability demonstration of different flights at different hours to satisfy all consumer needs. The message of this advertisement is clear: we beat the experience. The media this advertisement used was magazine and we may assume it was a right choice by the reach and impact it had. The mission of this campaign to persuade consumers to choose BA on the basis of product feature advantages by advertising emphasized superiority and differentiation in scheduling, punctuality and pricing.

Advertisements Post 1982-1983:

Exhibit 5: Manhattan Landing Storyboard

This campaign was the first that followed the new advertisement doctrine or mission of the company. This was to restore BA's image and prestige. The agency established five objectives for the worldwide BA concept campaign:
• To project BA as the worldwide leader in air travel.
• To establish BA as the world's most successful airline.
• To demonstrate the superiority of BA products.
• To add value in the eyes of passengers across the whole range of BA products.
• To develop a distinctive, contemporary, and fashionable style for the airline.

This advertisement had mostly an emotional appeal, which is mostly seen with the use of celebrities on the advertisement. The money of this advertisement can be seen from two perspective: the estimated production costs of £1 million and the estimated costs of £14 million to air the ad. The media used would be television and cinema in some of the countries that don't permit foreign airline ads. This media enables advertising to have consumer involvement, competitive clutter, and Ad content and structure.
There isn't a real measurement yet but one can state that it would vary from market to market due to the dissimilarity of values and wants in different markets, for example, it should be successful in United States, but not in India.

Exhibit 9: BA Business Campaign Magazine Advertisement

This ad has a cognitive appeal as it shows the seat superiority, that could potentially transform into comfort, that BA had over competitors through direct comparison. The mission of this advertisement campaign is to make consumers aware of BA superiority on attributes important to business flyers, which is of importance of the company as consumer research indicated that Pan Am and TWA were perceived as superior to BA on attributes important to business flyers. The message of this ad is clear: you will have more comfortable in our business class as it has the best offerings. The media this advertisement used was a magazines and newspapers .Magazines were selected which had higher than average percentages of readers in BA's gateway cities. Newspapers with strong business sections were given preference. Some of pros of using these platform are: 1) it reaches target audience if the proper magazine or newspaper is selected 2) it creates prestige and reputation. Some of the disadvantages are that 1) changes in the copy of magazine and newspaper cannot be effected quickly and 2) the distribution of the magazine and newspapers is not always synchronized with the distribution of the good. The measurement component of this ad was poor as it had not significantly improved these perceptions.

Costs of Campaign

Dec 1982 - Mar 1983 Avg. cost per magazine = $5.5 M Avg. cost per magazine insertion = $ 0.69 M Avg. cost per newspaper = $178.3 M Avg. cost per newspaper insertion = $ 19.8 M Avg. cost per insertion = $40.2M Total cost = $684 M (Men 25-45)	Apr -June 1983 Avg. cost per magazine = $33.9 M Avg. cost per magazine insertion = $ 1.1 M Avg. cost per newspaper = $123.7 M Avg. cost per newspaper insertion = $ 9.5 M Avg. cost per insertion = $25.9M Total cost = $1,116 M (Men 25-45)	Sep - Oct 1983 Avg. cost per magazine = $30.6 M Avg. cost per magazine insertion = $ 1.4 M Avg. cost per newspaper = $92.0 M Avg. cost per newspaper insertion = $ 5.4 M Avg. cost per insertion = $24.4M Total cost = $950 M

Cost per % of reach-getaway cities = $9.4M Cost per frequency-getaway cities = $1.3M Cost per % of reach-remainder = $10.2M Cost per frequency-remainder = $1.6M	Cost per % of reach-getaway cities = $17.2M Cost per frequency-getaway cities = $3.2M Cost per % of reach-remainder = $20.3M Cost per frequency-remainder = $5.8M	

Exhibit 12: BA Leisure Print Advertisement

This ad uses both cognitive appeal and emotional appeal. Cognitive appeal is present by the us of promotions to consumers (push strategy), while the emotional appeal is mainly present by the image of an old man saying ‘good shour’. The mission of this ad campaign is to build an image of "good value for money" and "good deal for leisure travelers." Accordingly, BA's advertising agency suggested that these bolt-on features be subordinated to the objective of creating a general impression of value for money through advertising an airfare bargain along with BA's expertise in things British. The message is hence clear, ‘we give you a good value for your money’. The media used was television and the travel sections of local newspapers. One of the negatives of their campaign was that their late advertising deadlines meant that fare changes could be quickly communicated to consumers.

Costs

Dec 1982 - Mar 1983 Avg. cost per tv spot= $0 M Avg. cost per tv spot insertion = $ 0 M Avg. cost per magazine= $58.3M Avg. cost per magazine insertion = $16.6 M Avg. cost per insertion = $18.6M Total cost = $641 M (Average Market) Cost per % of reach = $16.0M Cost per frequency = $8.0M	Apr -June 1983 Avg. cost per tv spot= $71.5M Avg. cost per tv spot insertion = $ 0.2M Avg. cost per magazine= $56.4M Avg. cost per magazine insertion = $ 11.3M Total cost = $1415 M (Average Market) Cost per % of reach = $18.9M Cost per frequency = $3.8M	Sep - Oct 1983 Avg. cost per tv spot= $0 M Avg. cost per tv spot insertion = $ 0 M Avg. cost per magazine= $50.0M Avg. cost per magazine insertion = $ 10.0 M Avg. cost per insertion = $10.0M Total cost = $550 M (Average Market) Cost per % of reach = $11.7M Cost per frequency = $4.0M

Recommended Actions

My recommended actions will be presented in two types of recommended actions: urgent short-term actions and substantive longer-term actions.

Short-Term

1. Prioritize service differentiation in the business segment through offering innovative advantages such as points that could translate into a discount when traveling in

business class. Moreover, work towards adding more value to business class customers through better service, among other non-price determinants. Advertise this advantages through selected magazines and the business section of renown newspapers.
    a. Pros:
        i. Demonstrate the superiority of BA products.
        ii. Could potentially improve consumer views of the company and build consumer loyalty.
    b. Cons:
        i. Increases the promotional costs of the company, which decreases profitability.
2. In case of price-war, the company should not match competitors prices, but improve offerings at the previously decided price.
    a. Pros
        i. The company wouldn't see their profits affected as much by a potential retiallition of a competitor.
    b. Cons
        i. Increases costs, which reduces profits.
3. Split 1984-1985 advertising budget in a ‘50-50 way’.
    a. Pros
        i. Enables the company to continue its goal of improving its global image.
    b. Cons
        i. Local managers will not like this decision. This could potentially break relationships, which is not good for business.
4. To attract leisure travelers, the company should focus on an ‘pull-strategy’ by doing price promotion, all inclusive packages and improving their service offerings to this type of customers. Advertise all of this offerings mainly through TV and travel magazines.
    a. Pros
        i. This will enable the company to acquire market share in this market segment without potentially engaging in a price war (because they decreased their prices).
        ii. Using TV as the media to advertise will enable the company to have more reach and frequency.
    b. Cons
        i. Could take a substantial shunk of the advertising budget.
        ii. The company will have to wait for results, as the consumers wouldn’t immediately react to the pull-strategy and demand more product.
        iii. BA should seek arrangements with travel agencies and hotels for this strategy to work.

Long-Term

1. Prioritize global image over market-oriented image by continuously lowering the local independent budget.
    a. Pros

        i. Increasingly consistent and complementary advertisements will potentially help build a consistent image of the company.
        ii. Globalization trends enables to give-up market oriented approach to target larger market segments.
    b. Cons
        i. Many different demographics still have very different wants. Hence, this global campaign won't be as effective in all markets.
2. Maintain consistency in the messages of all campaigns to build brand loyalty and only position advertising in magazines and newspapers .
    a. Pros
        i. Don't confuse consumers as all messages work together.
    b. Cons
        i. Reach would be affected by just specializing in this two mediums. Moreover, the company ignores the growing trend of televisions.